

LIVING WITH THE DRAGON: CHINA'S ASCENT AND THE ROK-US ALLIANCE

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USAWC STRATEGY RESEARCH PROJECT

**LIVING WITH THE DRAGON:
CHINA'S ASCENT AND THE ROK-US ALLIANCE**

by

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ABSTRACT

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China's extraordinary economic success also enables an extensive military build-up. Despite Chinese public pronouncements that China pursues peaceful development and growth, the U.S. and other regional countries worry about China's military modernization. The Pentagon's Congressional report on China's Military Power triggered alarms that China is rapidly building up military strength and thus poses a security threat in Northeast Asia. The lack of transparency of China's military expenditures and the ambiguity of its strategy and goals may put regional military balances at risk and could prompt an arms race. Understanding the Chinese military strategy and its modernization is the key to prepare for the future threats in the region.

This paper reviews China's defense policy and military strategy and its current modernization, and recommends a ROK-US-Japan alliance and a broader 6-Party Northeast Asia security cooperation system as ways to enhance the region's future stability.

LIVING WITH THE DRAGON: CHINA'S ASCENT AND THE ROK-US ALLIANCE

China pursues a three-step development strategy in modernizing its national defense.... The first step is to lay a solid foundation by 2010, the second is to make a major progress around 2020, the third is to basically reach the strategic goal of building informatized armed forces and being capable of winning informatized wars by the mid-21st century.

—China's National Defense in 2006¹ -

Introduction

The rise of the People's Republic of China (PRC) will undoubtedly be one of the great events of the twenty-first century. China's extraordinary economic success and active diplomacy are already transforming East Asia, and the future decades will see even greater increases in Chinese power and influence. As it becomes a major global player, the U.S. and other major western countries are now encouraging China to become a "responsible stakeholder" that will work with the U.S. and other nations to sustain and advance the peaceful international system that has enabled its success. However, exactly how China's ascent will play out is an open question, as is the ability of the United States and Republic of Korea (ROK) alliance to maintain their positions as China rises.

Since 1988, the PRC's annual gross domestic product (GDP) growth has averaged 8.5 percent. Based upon its official exchange rate, China's GDP was \$2.5 trillion in 2006, fourth in the world after the United States, Japan, and Germany. Adjusted for purchasing power parity, China's GDP was roughly \$10 trillion in 2006, second to the United States, although it should be noted that this ranking greatly overstates China's influence in the world economy.² It has accumulated massive foreign reserves worth more than \$1.5 trillion at the end of 2007. China's military spending has

increased at an inflation-adjusted rate of over 18 percent annually, and its diplomacy has extended its reach not just in Asia but also to Africa, Latin America, and the Middle East. Indeed, whereas the Soviet Union rivaled the United States as a military competitor only, China is emerging as both a military and an economic rival—heralding a profound shift in the distribution of global power. In particular, China’s military build-up has been a source of concern and interest for the United States, as well as others in the Northeast Asian region.³

Some experts see China’s military modernization and diplomatic expansion as a natural phenomenon for a rising power, albeit something that must nevertheless draw American attention even if one assumes the most benign of PRC intentions. However, China’s military build-up is broadening the reach of its forces in Asia and poses a long-term threat not only to Taiwan but also to the Republic of Korea, Japan, and the U.S. military in the Pacific.⁴ Its defense spending could be as much as \$85 billion to \$125 billion in 2007—more than three times the Chinese Government’s official figure—making the country’s military budget the world’s third-largest after the United States and Russia, and the biggest in Asia⁵. In the long term, this trend could threaten regional stability and ignite new arms races in Northeast Asia.

This paper examines China’s military build-up and its implications for the region, especially regarding the impact on Korean Peninsula security, and proposes ROK-US alliance alternatives for dealing with this issue. China’s military growth cannot be prevented, but prudent alliance actions can mitigate the threat and encourage China to continue to play a constructive and responsible security role.

China's Military Policy

China has proclaimed that it pursues a national military policy which is purely defensive in nature. The PRC also emphasizes that its national defense policy guarantees China's security and unity,⁶ and supports the general goal of building a prosperous society.⁷ From an evolutionary point of view, China has pursued a defensively-oriented strategy since the Mao Zedong era. For more than half a century, the particulars of China's defense policy have been changing, although the defensive thrust of the stated policy remains the same. Since Chinese military changes can also provide an offensive capability, it is difficult for the international community to understand what China's military policy really is.

China's National Defense, released in 2006, was the first defense White Paper since Chinese President Hu Jintao took over the leadership of Central Military Commission (CMC). According to the White Paper, the most important elements are as follows:

- Upholding national security and unity, and ensuring the interests of national development
- Achieving the all-round, coordinated, and sustainable development of China's national defense and armed forces
- Enhancing the performance of the armed forces with "informationization" as the major measuring criterion
- Implementing the military strategy of active defense
- Pursuing a self-defensive nuclear strategy
- Fostering a security environment conducive to China's peaceful development⁸

Under the defense policy of peaceful development, China promotes its own rapid economic growth while actively participating in regional as well as international organizations such as the World Trade Organization (WTO), Asia Pacific Economic Cooperation (APEC), and others. While cultivating strategic opportunities for its peaceful development, and trying to distract the global community's attention from its military modernization, the People's Liberation Army (PLA)'s rapid development remains a potential threat to Northeast Asia's security as well as other regions that border China.

China's Military Modernization

The PLA's modernization is a nuanced issue involving many factors such as the attitude of PLA hardliners, military technology, quality of personnel, and international attention. Notwithstanding its complexity, PLA modernization can be simply described as an asymmetric development strategy. The PLA has adopted a three-step process to implement this approach. The first step is to lay a solid foundation by 2010; the second is to make major progress around 2020; and the third is basically to reach the strategic goal of attaining informationized warfighting capability by the mid-21st century.⁹

The PRC is following an asymmetric strategy to implement PLA modernization on both the strategic and operational levels. On the strategic level, building informationized armed forces and being capable of winning informationized wars are its strategic goals. In order to achieve these goals, it is necessary to build up military infrastructure by fielding informationized weapons systems, integrating these systems, enhancing the capabilities of joint operations, and developing new high-tech weapon systems. On the operational level, adjusting the strategies for each service and balancing development among each of the services are important issues for PLA modernization.

Depending upon a service's characteristics, it selects its own development strategy under the guidelines of an asymmetric development strategy. For example, the Army established the special operation troops (or so-called "first troops") as its first priority to meet the demands of border security or other necessary missions. The Navy prioritized several items, such as the *Sovremenny* Class DDG destroyer with Sunburn missiles and submarines with nuclear missiles to achieve a credible and survivable strategic deterrent. The Air Force and the Aviation & Space forces are developing new all-purpose fighter jets and Unmanned Aerial Vehicles (UAVs) as important priorities. Recently, the PLA has utilized missiles to destroy a satellite, which provoked another wave of debate about PLA modernization.

The most remarkable aspects of the modernization are concentrated in the PLA's missile, naval, and air forces.¹⁰ As a result of this prioritization, the conventional ground forces which comprise the bulk of the PLA have been accorded a secondary status. Even China's Type-98 tanks, which are comparable in capability to main battle tanks of western countries, have so far been produced in only small quantities.¹¹

The PLA modernization does not only focus on building up hardware, but also encompasses modernizing doctrine, modifying force structure, training and education, as well as actively engaging in military exchange programs with foreign countries. This has resulted in a unique convergence seldom seen in PLA history; the PLA's modernization has rapidly accelerated under China's asymmetric development strategy, and seems to illustrate the three-step long-term defense strategy.

The PRC is going to double its defense budgets within 4-5 years if its annual growth rate matches this year's 17.8%.¹² The PLA would have at least eight-times this

year's budget by the year 2020. Moreover, China's actual defense budget might actually be two to three times higher than the official figure.¹³

U.S. experts differ about China's precise defense expenditures, but most agree that they are much higher than Chinese officials have published.¹⁴ Crane *et al* also estimate that Chinese military spending is likely to rise to \$185 billion by 2025.¹⁵ The outcome is highly likely to allow the PLA to "leap forward" into the next developmental stage. The PLA's sheer comprehensive military power would automatically emerge as a potential threat to regional stability and prosperity, and its lack of military transparency with respect to military investments would especially concern some of its neighbors.¹⁶

However, a Chinese military budget expert, Xu Guangyu, insists that the growth is primarily caused by the sharp increase in the wages, living expenses, and pensions of 2.3 million PLA officers, civilian personnel, soldiers, and army retirees. Large numbers of officers and non-commissioned officers received the sharpest pay raise of 100 percent. They are the primary source of income for their families and for a long period their wages had remained very modest. At the same time, all rank-and-file soldiers' living allowances and board expenses have also been increased. In actuality, the composition of the Chinese military expenditure appears to be roughly the same as that of the United States; wages, housing, and services take up almost one-third of the total spending.¹⁷

In *China's National Defense in 2006*, several important issues have not been adequately explained, such as: what is meant by the "solid foundation of military power" to be reached by 2010; the major progress to date of PLA modernization; and what "building informationized armed forces that are capable of winning informationized wars"

exactly means. From the PLA's perspective, the latter's aim would seem to be to counter major powers in the world; in particular, some experts believe that PLA military strategists at a minimum seek parity against a United States that they perceive as the immediate and long-term challenge to Chinese national security interests.¹⁸

In January 2007, China used ballistic missiles to destroy one of its orbiting weather satellites in space, and this should not be seen as an isolated space-related incident. China's leadership appeared defensive when world leaders pressed China to explain the anti-satellite test. If China's intent was to pressure the US to agree to a space treaty, it was a futile effort because the United States opposes such an initiative; nevertheless, China demonstrated a growing space capability with its anti-satellite test that shut down one of its satellites. The eventual outcome could be a genuine potent capability, not just a diplomatic bargaining chip. For example, China intends to launch a series of space shuttles which, if successful, could encourage China to develop "space forces," which may escalate the tension among the superpowers and further fuel a "space race."

According to China's own stated policy, it favors international peace and an equitable international order. However, China's actions—most notably its military buildup—have caused some observers to question the sincerity of such statements.¹⁹ The lack of PLA transparency about the scope of its modernization efforts or its goals further complicates the U.S. ability to assess Chinese intentions.²⁰

Without military transparency, the neighboring countries are concerned about the outcome of China's military modernization. To secure their national interests, these countries are likely to devote more military resources to develop their defensive

capabilities, especially to secure sea lines of communications (SLOC), and this may lead to a regional arms race that might jeopardize the regional stability.

To achieve its military modernization goal, the PRC allocates its national resources to promote military infrastructure, military technology, and military education, especially for the integration of weapons systems. These programs have been well-planned, and are in perfect accord with the PRC's "11th Five-year Plan." It is obvious that military development and economic growth are the two most important pillars of China's national development. Although these two tiers are independent, they are interactive and form a spiral development model. By 2010, the so-called "laying of a solid foundation" is intended to implement the "11th Five-year Plan" and "*China's National Defense in 2006*" simultaneously. Next, the PRC would reach the next stage of "marking major progress" with respect to its economic and military power.

For the subsequent decade, China's strategic goal is to expand upon the early achievements of its asymmetric development strategy. Under the conditions of informationization, the PLA integrates its weapons systems and enhances its joint operational capability by allocating a large amount of defense budget and resources. By making major progress, the PLA intends to catch up with the military strength of major world powers. By the mid-21st century, the PLA can consolidate its strategic goal of building informationized armed forces and being capable of winning informationized wars. At the same time, the PLA will have acquired advanced weapon systems, have a joint operation capability, and be able to project its comprehensive national power. The outcome is likely to jeopardize Northeast Asian security because the balance of regional power is tilting toward China.

The economic achievements of the “11th Five-year Plan” will help the Chinese Communist Party (CCP) consolidate its power. As is well-known, the PRC has to maintain its growing economic strength to preserve internal societal stability. Natural resources, especially energy, are the key to continued economic growth. Without natural resources, China’s economy may collapse. PLA modernization also hinges on long-term domestic economic growth, and thus upon China’s access to natural resources. With an adequate energy supply that sustains its economic growth, China’s leaders plan on a corresponding increase in military capability which does not entail a painful choice between guns or butter.

Changes after Chinese President Hu Jintao Assumed Power

In March 2003, Hu Jintao became the CCP Chairman, Secretary General of its Central Committee, and President of the PRC. Meanwhile, Jiang Zemin, Hu’s predecessor, still served as the Chairman of the Central Military Committee (CMC) for both the PRC and CCP. In other words, Jiang still was the Commander-in-Chief of the PLA even though Hu had been assumed responsibilities as the nation’s President, which is an extremely unusual condition among most countries. In September 2004, Hu assumed Chairmanship of the CMC of the CCP, but Jiang still served as the Chairman of the CMC of the PRC. In March 2005, Hu finally took over Chairmanship of the CMC of the nation and became the Commander-in-Chief of the PLA.

On December 29, 2006, *China’s National Defense* was published for the first time since Hu Jintao took over the leadership of the PLA. Even though this White Paper generally speaking follows the main direction of previous versions,²¹ some significant changes have been made. These alterations can be considered Hu’s fingerprints on

China's defense policy and indicative of the future directions for PLA modernization. The current report is much more transparent than previous versions, and confidently emphasizes the PLA's "harmonious development" initiative. The two dimensions of harmony, internal and external, have been taken as important factors of national security strategy²² and these factors have been consolidated in its national defense policy. Consequently, the role and composition of the PLA must be adjusted to meet these conditions.

According to the adjusted defense policy, the PLA may play a more active global role in the future with expanded international peacekeeping missions, humanitarian operations, multi-national exercises, and other engagements with other nations. However, the central military issues will continue to be Taiwan and other sovereignty-related matters such as Tibet and the Xinjiang independence movement. The PRC has never renounced the use of force against Taiwan, and it is a key justification behind PLA modernization efforts. In the future, the PRC may include other issues such as ocean resources, sovereignty disputes, SLOC security, or other natural resources demands as justification to develop and deploy its armed forces toward other regional countries.

Swimming with this stream of military developmental trends, Hu will continue to pursue the PLA's asymmetric development strategy on both the strategic and operational levels. The PRC invests heavily in the PLA's modernization, particularly its strategic arsenal and power-projection capabilities.²³ Hu also seeks to improve its military "software"—such as military education, joint operation capability, and force posture adjustments in the different military regions.

Judging from China's recent efforts on PLA modernization, Hu has shown his confidence in the PLA's capabilities and responses to international demands. Although Hu has tried to improve PLA transparency, there is still enough ambiguity and possible deception to raise international suspicion, especially for those concerned about China's growth as an Asian-Pacific military power. More PLA transparency would facilitate international monitoring and help avoid regional tension from miscalculation or misunderstanding.²⁴

Over the next few years the PLA will continue to reform its military forces, which includes three primary components. First, the PLA is being downsized and reshaped. The proportion of servicemen in the PLA Army has been reduced by 1.5 percent while those of the Navy, Air Force and Second Artillery Force (missile forces) in the PLA have been raised by 3.8 percent.²⁵ With the increasing emphasis upon PLA Navy and air power, the range of PLA air and navy fleet activities is continuously expanding. The headquarters and directly affiliated units as well as educational institutions are also downsizing. Within the PLA Army, priority is given to building Army aviation and light mechanized and information countermeasures units, resulting in even greater reductions among conventional ground forces such as infantry and artillery.²⁶ In the process of getting rid of obsolete assets, the PLA Navy has cut its aviation capability by converting naval airbases into support facilities to deepen the reform of the joint logistical support system.²⁷ This has contributed to an interesting debate as to whether China intends to build up its carrier fleet. Recently, China has procured Su 33MK jet fighters from Russia,²⁸ which further complicates the issue. Some PLA actions seem contradictory, and even confuse many international experts on PLA studies.²⁹

Second, the PLA is reforming its leadership and command system, which has been enhanced through adjusting organizational functions and improving joint operational command. Hu and other leaders intend to replace uni-service command structures with joint organizations; however, many military leaders are resisting these initiatives.

Finally, China's military is reforming by adjusting its joint and service strategies in order to defeat a militarily superior adversary such as United States, with which a conflict over Taiwan is the most critical scenario.³⁰ Consequently, PLA modernization focuses on the navy, air force, and the Second Artillery Force. Army modernization has included units offering capabilities applicable to Taiwan scenarios.³¹ The PLA Navy and Second Artillery Force aim at progressively improving both nuclear and conventional missile capability; one reason is to deter US attacks of any type on Chinese soil during a Taiwan conflict.³² The Air Force aims at expanding from regional defense to trans-regional mobility, while improving its capabilities in air-ground integrated operations, long-distance maneuvers, rapid assaults and special operations.

It is obvious from Hu's PLA-related speeches and actions that as commander-in-chief he rules by law, rather than by dictatorial whim; nevertheless, the PRC remains an authoritarian power. The PRC government has promulgated several laws regarding military affairs; however, a firm doctrine for the PRC that has remained unchanged is that of CCP control over the PLA and the requirement that PLA personnel have to be loyal to the CCP.

Implications for the ROK-US Alliance

Since the beginning of the Iraqi War in early 2003, U.S. world power has been relatively declining, and some major developments regarding American power in East Asia are aggravating its decrease. Simultaneously, China has been rising with a surprisingly quick speed, which has become a topic discussed internationally with extraordinary intensity. While the U.S. and other major allies have overstretched militarily and economically with long-term efforts in Iraq and Afghanistan, China has enjoyed unhindered economic growth and has embarked upon its military build-up program.³³

This is increasingly suggestive of a “power transition” between China and the United States. Moreover, when comparing the apparent Chinese strategy of broadening its influence with the apparent American strategy of containing China while the U.S. is preoccupied with other ventures, trends seem much more favorable to China. China also benefits from the great geographical distance between the two countries, which gives the PRC the elbow room to develop and further hastens the power transition between the two countries. Obviously, this has major and growing significance with respect to the region, world politics overall, and the global economy.

The U.S. endeavor to respond to China’s rise consists of several components, whose effectiveness to date leaves too much to be desired from any realistic American perspective. The most essential and permanent consideration is to build up the strategic and military capability against potential PRC threats. What has been done most easily—and hence most intensively—is enhancing America’s military deployments in the western Pacific in support of three policies. First, the U.S. has sought to sustain and bolster the ROK-US military alliance and political partnership. Second, it has pursued

the strengthening and expansion of the US-Japan military alliance with the accompanying trend of Japanese “military normalization.” Third, the U.S. has attempted to increase Taiwan's military capability and support Taiwanese political stability while preserving the status quo of Taiwan as a *de facto* independent polity separated from the Chinese Mainland. In all three policies, the U.S. faces very complicated problems and several limitations upon what it can do. Progress in the last two has been slender, if at all.

In August 2005, amid the regional competition between the U.S. and China, for the first time since the PRC's establishment China and Russia conducted a large-scale combined military exercise on Chinese territory. Despite pronouncements that no third country was being targeted, the mere fact that the two regional giants conducted a military exercise using their latest weapon systems in the vicinity of Korea and Japan caused apprehension regarding security on the Korean peninsula security as well as elsewhere in Northeast Asia. A significant second-order effect was to provide incentive for the ROK and Japan to join the regional arms race.

Perspectives of Countries in the Region

The Bush administration thinks that as the Chinese economy continues to expand, Beijing will likely increase its military spending. This trend will enable the PLA to produce or purchase military equipment that could change the status quo in the Taiwan Strait and challenge America's military predominance in Northeast Asia. Furthermore, China chiefly relies on Russia to secure high-tech weapons imports; it is inevitable for China to strengthen its friendship with Russia which itself lately is perceived as a growing threat.

Although not officially calling its policy in East Asia “containment of China,” the United States has ringed China with formal and informal alliances and a forward military presence. China, surveying its perimeter, can observe strong U.S. ties to neighbors such as Japan, Korea, Taiwan, the Philippines, India, and Pakistan, as well as military bases in central Asia. With such an extended defense perimeter, and a prominent U.S. presence that could prove a threat, it is only natural for China to seek more control of its external environment by increasing its military power.

The Republic of Korea has been one of the strongest allies of the United States for more than a half-century and shares common views on security issues. After the inauguration of President Roh Moo-hyun in February 2003, however, there were some differences between the ROK and U.S. on security policies toward North Korea and other issues. South Korean relationships with the U.S. have come under review in South Korea as Korean domestic politics evolve with changes in global and regional geopolitical conditions, to include closer ROK ties with China.

China and South Korea ties have developed remarkably across almost all fronts, including economic and cultural, since the establishment of diplomatic relations in 1992. The comprehensive and cooperative partnership that both countries announced in 2003 gave momentum to the two countries' efforts to develop bilateral relationships. China has already emerged as South Korea's top trading partner and number one investment destination for Korea. In particular, the ROK has established a favorable economic relationship with China as bilateral trade grows.

Presently China is working together closely with South Korea, but its real intentions toward the Korean Peninsula are unclear. If China seeks imperialistic

expansion in the region, then the ROK, United States, and Japan may have to block Chinese ambitions. The ROK will remain China's trading partner, but not a near-term security partner. In the long-term, South Korea sees China's rapid military build-up and lack of transparency on defense expenditure as a threat in the region.

Like Taiwan and the U.S., Japan is a major military concern to China, and *vice versa*. Japan, a historical adversary of China, has embarked on a new Five-Year Military Build-Up Plan for 2004-2009 as outlined in *Japan's National Defense Programme Outline 2004*.³⁴ Japan now views China and North Korea as its primary regional threats (formerly it was the Soviet Union). Japan's military plans include increasing force projection capabilities by developing long-range missile technology, shifting forces southward on its main island, upgrading island airbases, doubling air-refueling capabilities, and doubling its air transport fleet. Additionally, Japan realizes that the U.S. may intervene militarily in the Taiwan Strait and that Japan's security commitments to the U.S. will result in its participation, if only indirectly due to American bases in Japan. Furthermore, Japan and China have historical disputes including war preparations, contested territorial issues (Senkaku Islands), and conflicting interests in the East China Sea concerning oil rights. For these reasons, Japan sees the PRC's military build-up as a great threat to Japan.

Additionally, Japanese government has echoed the Pentagon's "China threat." The annual *Self-Defense White Paper* released by Japan cites China's rising military strength as the main reason Japan has increased its military spending at double-digit rates for the past 17 consecutive years. On February 19, 2005 the Japan-US defense ministers released a Joint Statement confirming Japan's acceptance of a ballistic missile

defense (BMD), Japan's new National Defense Program Guidelines (NDPG) emphasizing Japan's capability to respond effectively to new threats and diverse contingencies, Japan's active engagement to improve the international security environment, and the importance of the Japan-US alliance.

Recommendations for the Alliances

First, given the mutual concern the three countries have with China's military rise, it appears to be an opportune era to create a ROK-US-Japan trilateral security system. Testifying before the Senate Armed Services Committee March 2008, the Commander of U.S. Pacific Command stated that "trilateral military cooperation" among the U.S., Japan, and South Korea aims to deal not only with North Korea but also with China and terrorist threats in Asia. He indicated that U.S. forces want the three countries jointly to "deal with China's increasing military power, North Korea's possible collapse and reunification of the two Koreas, unconventional regional threats, including terrorism risks in Southeast Asia, and other regional matters."³⁵ Current US-Japan security cooperation on regional arms buildups, including theater missile defense systems for the Korean Peninsula, Japan and Taiwan, indicates that the Taiwan issue is not simply one of a simple "renegade province" in Chinese domestic politics. It is also a focal point around which Sino-Japanese and Sino-US antagonism and, ultimately, that of the entire region could revolve. The risk of this sort of entrapment could be a major cause of ROK reluctance to support a trilateral security system.

Second, the three countries should develop a Northeast Asia Security Cooperation System, including China, Russia, and North Korea. Although Northeast Asia has not yet constructed a government-level cooperation system in the region, the Six-Party Talks

have been conducted to resolve the North Korean nuclear issue. Non-governmental linkages also exist; for example the Northeast Asian Cooperation Dialogue (NEACD) was established with the support of the U.S. Department of State in 1993 achieve progress on non-military issues. These systems can form the basis for a security cooperation system in the region. It should be noted that despite the existence of multi-lateral venues, the peace system in the Northeast Asia must be built upon a two-track system wherein regional countries pursue both bilateral and multilateral approaches.

Third, once established, ROK–US–Japan alliance should be strengthened. The greatest threat to security in Northeast Asia in the short term is weapons of mass destruction such as those of North Korea. In the long term, however, the greatest sources of instability are the competitive relationship between the U.S. and China and the Korean Peninsula and Taiwan issues which could result in conflicts. A capable ROK-US-Japan alliance with a common strategy and firm commitments can both deter and respond to regional crises ranging from environmental disasters to a Taiwan conflict and North Korean aggression or collapse. To share common strategic views and enhance mutual cooperation, the three countries should regularly conduct “3+3 meetings” at the ministerial level, as the US currently does separately with its two allies.

Conclusion

Northeast Asia is experiencing great change in a wide range of political, economic, military, and cultural areas, and has found its place as one of the world’s key regions with unlimited possibilities. However, its outlook for the future is not all clear skies and sunshine. The region’s future potential can only be assumed if its peace and stability

can be maintained, and it retains some of the world's most probable and most extreme conflict scenarios.

In Northeast Asia the Cold War order characterized by divided countries and bilateral alliances is still in place, and the strategic competition among the U.S., an inevitably-growing China, and Japan is intensifying. These trends, coupled with WMD proliferation, potential North Korean aggression or collapse, and the possibility of a Taiwan conflict require judicious collective measures to prevent severe crises as China grows and until the lingering Korean and Taiwan issues are ultimately resolved.

On the other hand, the fact that preserving peace and stability is a vital interest to all regional countries provides some grounds for optimism. Building mutual trust and security coordination systems among the Northeast Asian nations would help prevent any possible instability in the region; key means to do this would be the creation of a ROK-US-Japan alliance and the expansion of the 6-party talks to address a multitude of regional issues. Additionally, China should improve the transparency of its military expenditure and clearly explain its real intentions and strategic goals. Without these Chinese measures, Northeast Asia will remain under a cloud of instability.

The larger goal of both the ROK-US and Japan-US alliances is to achieve stability; this goal would be enhanced with a trilateral relationship between the ROK-US-Japan which should reinforce or even replace the current bilateral pacts. While the positive role and leadership of the United States is an important factor so too are the contributions from the other two countries, which would be enhanced if they are harmonized.

Even more broadly, it is important to engage with and attempt to harmonize the other three regional countries (China, Russia, and North Korea). An expanded 6-Party

framework, which addresses issues and facilitates governmental and non-governmental cooperation, can both prevent and resolve disputes. This framework can operate in parallel with existing governmental and non-governmental cooperative efforts as well as current extra-regional Asian-Pacific channels such as the Association of Southeast Asian Nations (ASEAN) and Asia-Pacific Economic Cooperation (APEC). However, the criticality of the region, the power of the nations, and the interests of the parties all indicate that a ROK-US-Japan alliance, supplemented with a venue composed of all regional countries, would better guarantee Northeast Asia's future stability.

Endnotes

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⁶ *China's National Defense in 2006*, 1.

⁷ *Ibid.*, 4.

⁸ *Ibid.*, 6-7.

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¹⁹ Anthony H. Cordesman and Martin Kleiber, *Chinese Military Modernization and Force Development* (working draft), (Washington, D.C.: Center for Strategic and International Studies, August 11, 2006), 1.

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²³ Office of the Secretary of Defense, *Annual Report to Congress: Military Power of the People's Republic of China 2006* (Washington, D.C.: Government Printing Office, 2006), 7.

²⁴ Office of the Secretary of Defense, *Annual Report To Congress: Military Power of the People's Republic of China 2005* (Washington, D.C.: Government Printing Office, 2005), 14.

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²⁶ *China's National Defense in 2006*, 11.

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²⁸ Lee Chih-Yao, "Strategic Implications of China Build-up of Jet Fighters for Carrier Fleets," *Strategic Studies Analyses*, Vol. 20 (December 2006): 37-40.

²⁹ For example, proponents of a Chinese aircraft carrier point to such an acquisition as both ensuring China's ability to defend its territories from foreign aggressors and confirming its status as a global power. However, opponents warn that this would negatively impact China's security environment by increasing the perception of China as a threat and would increase regional tension with US and other countries. See You Ji, "The Debate over China's Aircraft Carrier Program" and Ian Story and You Ji, "China's Aircraft Carrier Ambitions: Seeking Truth from Rumors," *China Brief* Vol. V, Issue 4 (Feb. 15. 2005), available from http://www.jamestown.org/images/pdf/cb_005_004.pdf; Internet; accessed 29 February 2008.

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³³ Paul Kennedy, *The Rise and Fall of the Great Powers* (New York: Random House, 1987), 438-439. Kennedy uses historical analysis to conclude that Great Power ascendancy correlates strongly to available resources and economic durability; military "overstretch" and a concomitant relative decline is the consistent threat facing powers whose ambitions and security requirements are greater than their resource base can provide for. At the time of its publication, Japan was viewed by some as a potential successor to the US as the next "Great Power;" China would now seem to be a more apt candidate.

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